



**Financial Results for FY2011
and FY2012-2014 Medium-Term Business Plan**

May 21, 2012

Meiji Holdings Co., Ltd.

1. - Outline of FY2011 Financial Results
 - Overview of Meiji Group FY2009-2011 Medium-Term Business Plan
2. - Overview of Meiji Group 2020 Vision
 - Outline of Meiji Group FY2012-2014 Medium-Term Business Plan

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3. - Outlook for FY2012

1. - Outline of FY2011 Financial Results
- Overview of FY2009-2011 Medium-Term Business Plan

FY2011: Outline of Financial Results

(billions of yen)

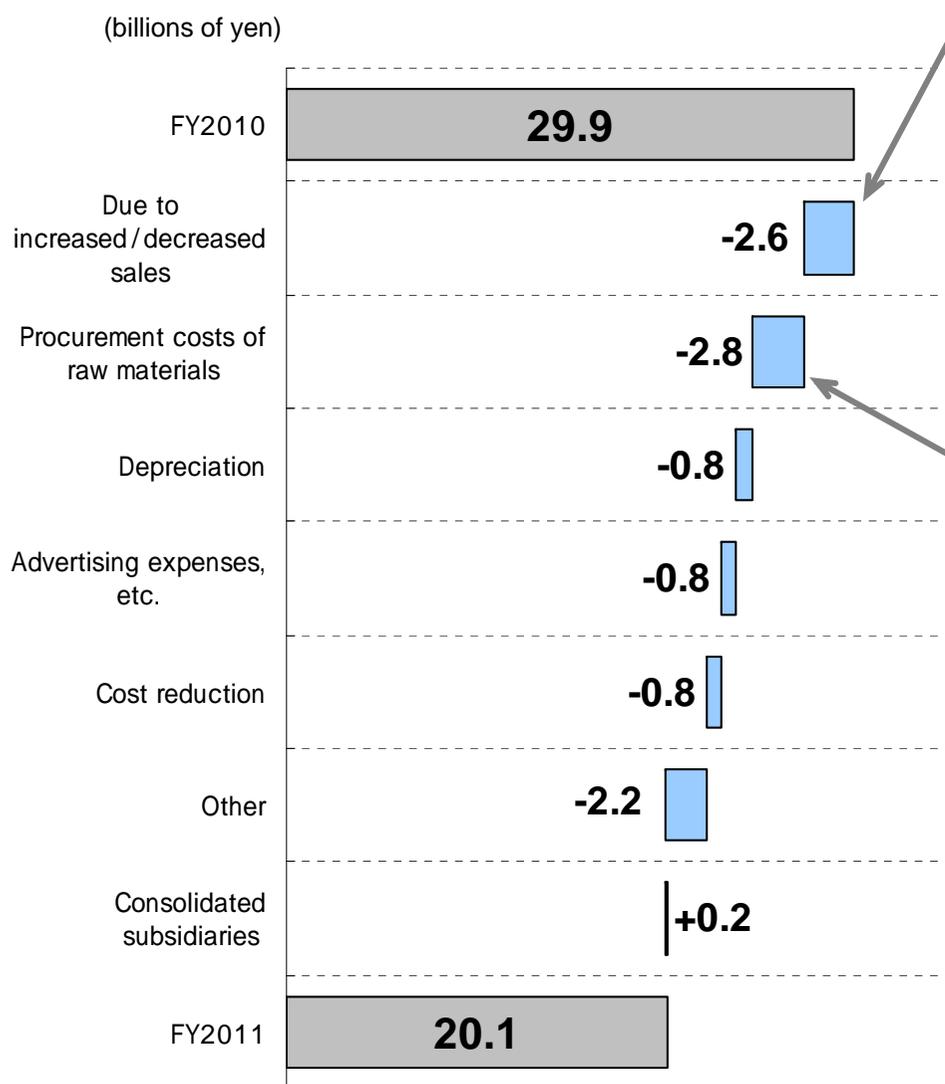
		FY2010	FY2011			
		Results	Plan (announced on Feb. 13)	Results	YoY change	Change vs. plan
Meiji HD [Consolidated]	Net sales	1,111.0	1,105.0	1,109.2	-0.2%	+0.4%
	Operating income	29.9	18.0	20.1	-32.6%	+12.2%
	Ordinary income	30.4	19.0	21.8	-28.1%	+15.2%
	Net income	9.5	6.5	6.8	-28.8%	+4.7%
Food	Net sales	988.8	982.4	986.3	-0.3%	+0.4%
	Operating income	22.3	10.0	11.4	-48.5%	+14.9%
Pharma- ceuticals	Net sales	124.2	125.0	125.2	+0.9%	+0.2%
	Operating income	7.5	7.9	8.1	+8.8%	+3.6%

(Note 1) The plan target for each segment do not include elimination or corporate.

(Note 2) Due to changes in the management structure of the real estate business that accompanied the Group reorganization, the presentation method for the income and expenses of real estate rentals has changed. The operating income of 29.9 billion yen in FY2010 after this retroactive application includes a difference of 1.1 billion yen resulting from the retroactive application.

(Note 3) For our financial status, cash flows, etc., see "Appendix," p. 5-7

FY2011: Outline of Financial Results – Analysis of Operating Income



- Food
 - Decrease in income due to decreased sales: -1.6
 - Worsening of the product mix: -3.5
- Pharmaceuticals
 - Increase in income due to increased sales: +2.6

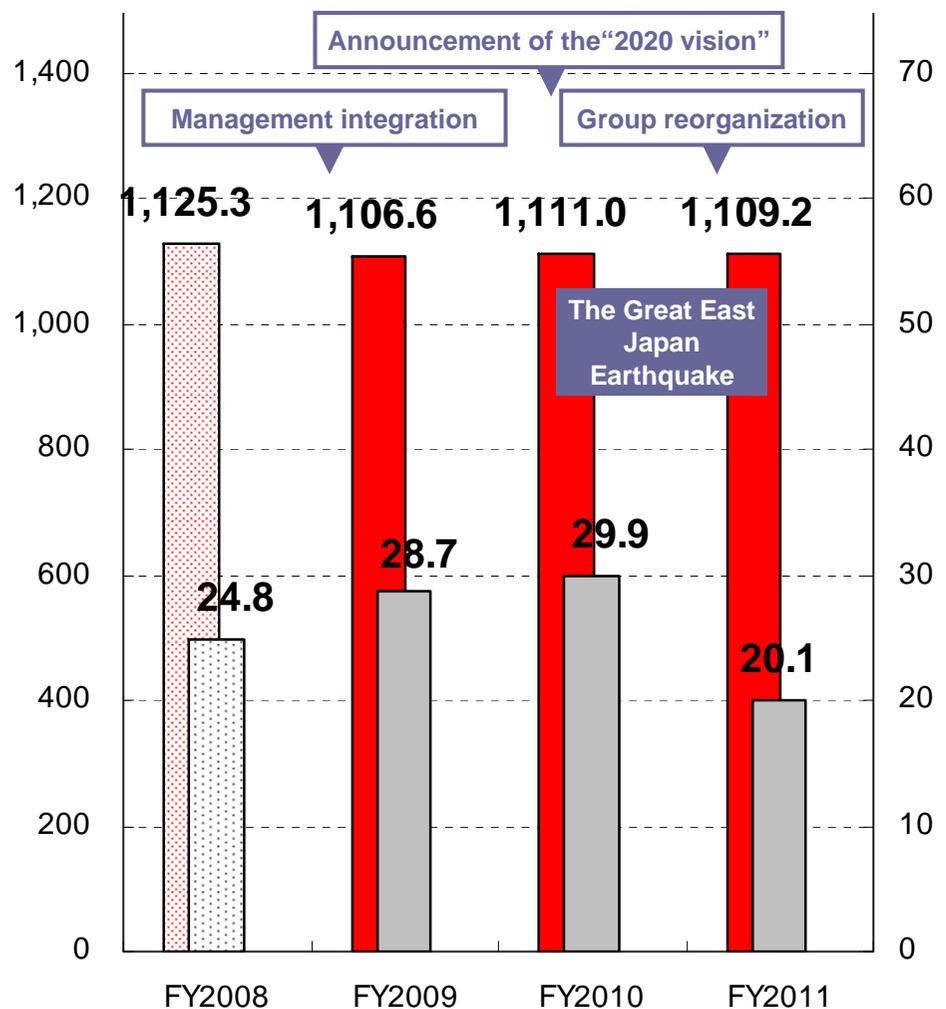
- Food:
 - Increase in prices of raw materials: Dairy products, cacao beans, etc.

Impact of the Great East Japan Earthquake (estimation)

	FY2010	FY2011
Net sales	-10	-20
Op. income	-4	-8
Extraordinary loss	-5	-1.7

Overview of Meiji Group FY2009-2011 Medium-Term Business Plan

(Net sales: billions of yen) (Op. income: billions of yen)



2009-2011 medium-term business plan

Objectives for FY2011

- Growth of existing businesses
 - Pursuit of integration synergies
- | (Initial Targets) | |
|-------------------|-----------|
| Net Sales | ¥1,260 bn |
| Operating income | ¥45 bn |

Develop an organizational structure for growth

April 2009: Management Integration

- Established "Meiji Group's System of Principles"
- Designed and introduced a new brand logo
- Announced the "Meiji Group 2020 Vision"

April 2011: Group Reorganization



(Note 1) The FY2008 figures are the simple sum of the results of the former Meiji Seika and the former Meiji Dairies, before the management integration.

(Note 2) Due to changes in the management structure of the real estate business that accompanied the Group reorganization, the presentation method for the income and expenses of real estate rentals has changed. The operating income of 29.9 billion yen in FY2010 after this retroactive application includes a difference of 1.1 billion yen resulting from the retroactive application.

- 2. - Overview of Meiji Group 2020 Vision
- Outline of Meiji Group FY2012-2014
Medium-Term Business Plan

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Meiji Group Philosophy

Our mission is to widen the world of “Tastiness and Enjoyment” and meet all expectations regarding “Health and Reassurance.”

Our wish is to be closely in tune with our customers’ feelings and to always be there to brighten their daily lives.

Our responsibility as “Food and Health” professionals is to continue finding innovative ways to meet our customers’ needs, today and tomorrow.



Meiji Group 2020 Vision

Meiji Group 2020 Vision

The Meiji Group of the Future

The Meiji Group aims to become a corporate group that brightens customers' daily lives by providing customers of all ages, from infants to the elderly, with foods that offer tastiness and enjoyment, as well as products that contribute to customers' physical and emotional well-being.

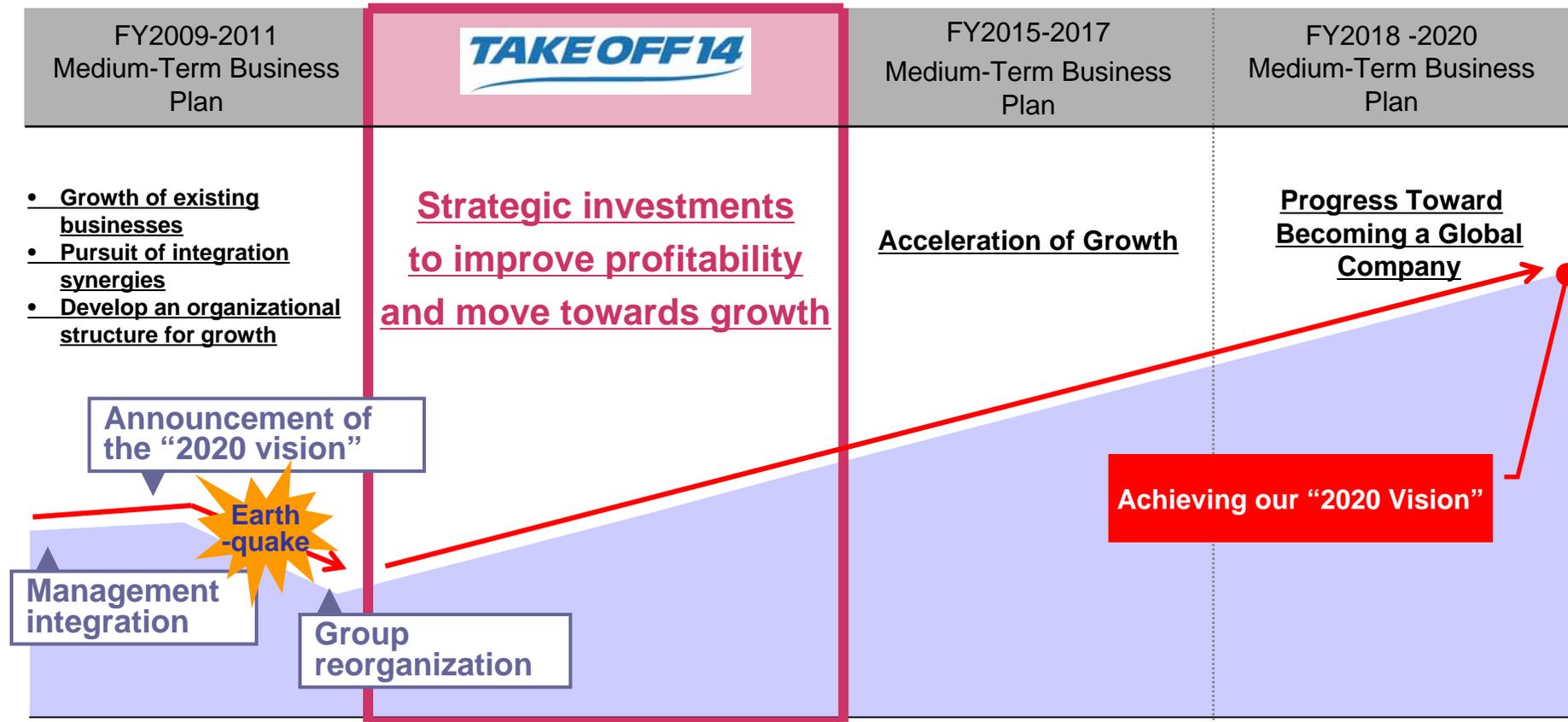
Goals of the "2020 Vision"

Net sales: ¥1,500 billion

Operating income ratio: 5% or higher

(Target by segment)	Net sales
Meiji Co., Ltd. Dairy/confectionery/healthcare and nutritionals/international	¥1,300 billion
Meiji Seika Pharma Co., Ltd. Ethical pharmaceuticals/agricultural chemicals and veterinary drugs	¥200 billion

: Positioning in the “2020 Vision”



	FY2011	FY2014	FY2020
Net sales	¥1,109.2 bn	¥1,190.0 bn	¥1,500.0 bn
Op. income	¥20.1 bn	¥40.0 bn	5% or higher (¥75.0 bn)
ROE	2.3%	7%	10%

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It was given this name because it is our first Medium-Term Business Plan since our management integration, and through our Group reorganization, we will make steady efforts to realize our “2020 Vision.”

Basic policy

Strategic Investments for Higher Profitability and Dramatic Growth

1. Strengthen and expand existing businesses
(Growth and priority businesses)
2. Foster growth businesses
(New and overseas businesses)
3. Improve profitability

Current Trends in the Business Environment

- Growth of emerging markets, with a low birthrate and an aging society in Japan
- More diversified needs, and individualized needs among consumers
- Heightened interest in food safety and reassurance
- Unstable raw materials markets
- Drug pricing system reform and expansion of the generic drugs market
- Moves toward industrial reorganization

		FY2010	FY2011	FY2012	~	FY2014	(Change vs. FYE 2012/3)	
							Amounts	Rate
Meiji HD [Consolidated]	Net sales	¥1,111.0 bn	¥1,109.2 bn	¥1,125.0 bn		¥1,190.0 bn	+¥80.7 bn	+7.3%
	Op. income	¥29.9 bn	¥20.1 bn	¥24.0 bn		¥40.0 bn	+¥19.8 bn	+98.1%
	(Op. income ratio)	(2.7%)	(1.8%)	(2.1%)		(3.4%)	+1.6pts	
	ROE	3.3%	2.3%	4%		7%	+4.7pts	
Total capital expenditures		¥38.5 bn	¥35.9 bn			¥161.7 bn		
R&D expenses		¥23.4 bn	¥23.8 bn			¥73.5 bn		
Overseas net sales		¥59.0 bn	¥56.5 bn	¥63.5 bn		¥81.0 bn	+¥24.5 bn	+43.4%
(% of consolidated net sales)		(5%)	(5%)	(6%)		(7%)	+2pts	

(Note 1) ROE = Net income / Shareholders' equity

(Note 2) Overseas net sales are the total of net sales of foreign subsidiaries (including non-consolidated subsidiaries) and affiliates, plus exports (on a value basis); (Internal sales have been eliminated)

(Note 3) Total capex and depreciation for FY2010-2011 are on a property, plants and equipment basis (including leases), and those for FY2012-2014 on property, plants and equipment and intangible assets basis (including leases)

We disclose the plan of total capex for FY2012-2014 are on property, plants and equipment and intangible assets basis (including leases)

		FY2011	FY2012	~	FY2014	(Change vs. FYE 2012/3)		
						Amounts	Rate	
Food	Net sales	986.3	1,000.0		1,050.0	+63.6	+6.5%	
	Op. income	11.4	18.4		30.0	+18.5	+161.1%	
	Dairy	Net sales	589.7	595.3		627.9	+38.2	+6.5%
		Op. income	10.0	12.4		17.1	+7.1	+71.5%
	Confectionery	Net sales	293.5	297.4		311.5	+18.0	+6.1%
		Op. income	5.2	5.5		9.5	+4.3	+83.1%
	Healthcare and nutritionals	Net sales	117.7	125.1		148.8	+31.1	+26.4%
		Op. income	-1.1	1.9		4.6	+5.7	
	Other (international, etc.)	Net sales	179.8	178.4		176.6	-3.2	-1.8%
		Op. income	0.8	0.2		1.6	+0.8	+109.4%
Adjustments	Net sales							
	Op. income	-3.6	-1.8		-2.5			
Pharmaceuticals	Net sales	125.2	128.3		140.0	+14.7	+11.8%	
	Op. income	8.1	5.4		10.0	+1.8	+22.2%	

(Note 1) The figures for each business in the food segment are simply the combined totals before eliminations.

(Note 2) There will be a partial revision in the expense allocation rules, which serve as the basis for determining the allocation of expenses for each business in the Food segment, effective from FY2012. There have also been partial revisions to the categories of the dairy business and the confectionery business. FY2011 results shown above were retroactively adjusted following the revision in expense allocation rules.

Food Segment – Strategy Key Points

Basic Policies	Strategy Key Points
<p>1. Strengthen and Expand Existing Businesses (Growth and Priority Businesses)</p>	<ul style="list-style-type: none"> • Dairy: Establish overwhelming dominance in the area of yogurt and probiotics • Confectionery: Enhance product appeal and stimulate market demand, focusing on chocolate • Healthcare & Nutritionals: Make new investment in enteral formula products, which are showing remarkable growth
<p>2. Foster Growth Businesses (New and Overseas Businesses)</p>	<ul style="list-style-type: none"> • New: Foster businesses which lead to providing new value <ul style="list-style-type: none"> - “Build healthy bodies” ... Develop food products for active seniors - “Spread enjoyment” ... Foster and strengthen our desserts category • Overseas: Emphasis on China, Asia, and the USA With a sense of urgency, foster businesses and quickly reach profitability
<p>3. Improve Profitability</p>	<ul style="list-style-type: none"> • Dairy: Revise sales promotion expenses and revamp unprofitable product groups, Speed up reform of our sales subsidiaries • Confectionery: Revise the revenue/expense structure (Revise the product strategy; undertake sales reform; raise efficiency in production, supply/demand, and distribution) • Healthcare & Nutritionals: Rebuild the business foundation of powdered milk

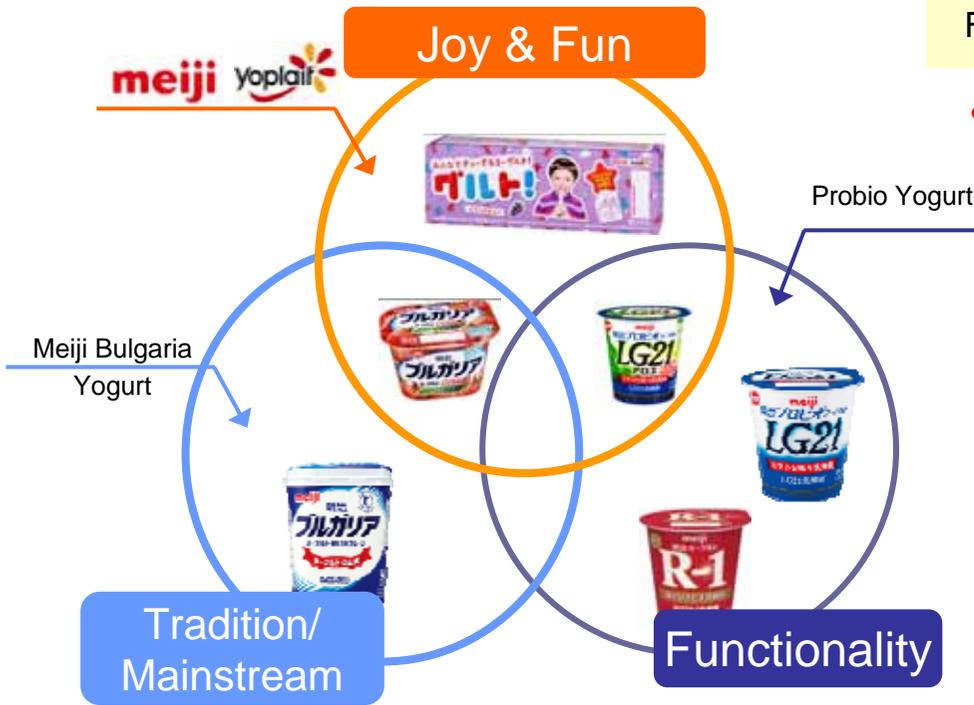
Dairy business

Share of Yogurt Market: 40%



Target: Net Sales of Probiotics
 FY2011: ¥37 billion FY2014: 30% increase

- In addition to “LG21,” add “R-1” as a second pillar
 We will strengthen our production capacity



Start of Joint Research with the Pasteur Institute in France

“Meiji Bulgaria Yogurt LB81” is used for the analysis of health and long-life benefits (Announced November 18, 2011)



(Signing ceremony)



(The Pasteur Institute)

Enhance Product Appeal and Stimulate Market, Focusing on Chocolate

Confectionery business

Share of Chocolate Market: 30%

- Enhance chocolate snacks business



- Expand our long-selling brands



- Combine the technologies for chocolate and ice cream

Introduce the chocolate brand into the ice cream category



- Development of new products combining technologies



- Brand development which goes beyond a single product category

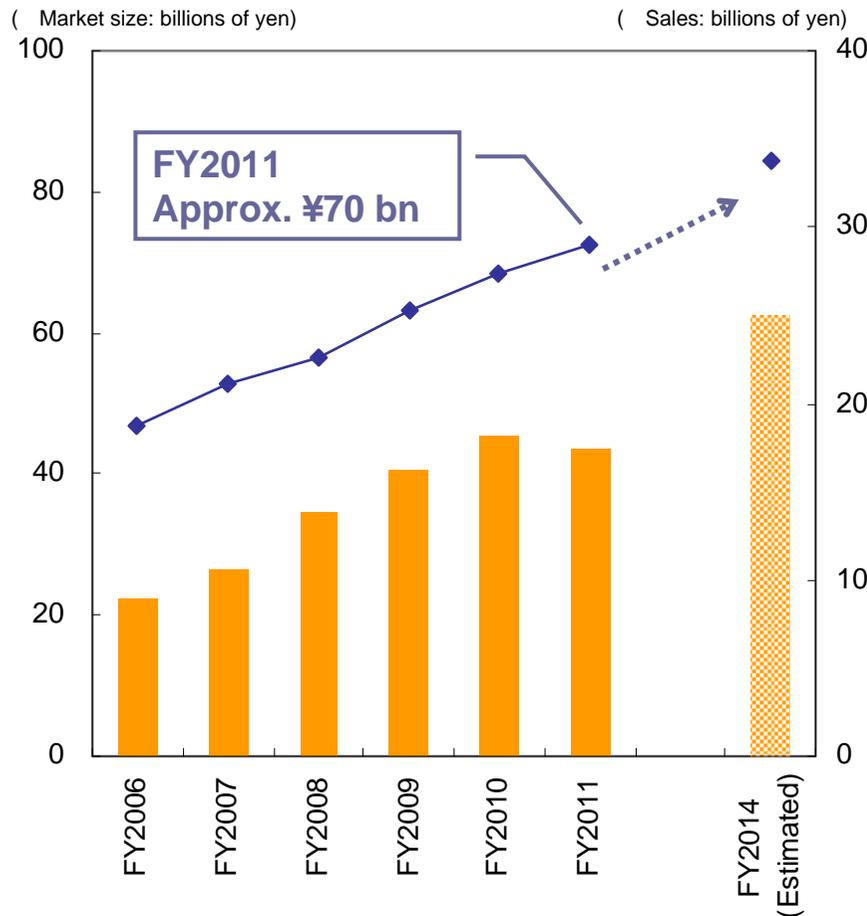
New brand "Crispy's"



Healthcare and nutritional business



Market size and our sales of enteral formula



Target: Net Sales of enteral formula

FY2011: ¥17 billion FY2014: ¥25 billion

Promote Business Growth and Build Business Foundations

- Gain customers by boosting sales capabilities
 - Expand sales channels (Drug stores, food supermarkets, home-delivery, mail order)
- Reinforce our production capacity by building a second plant

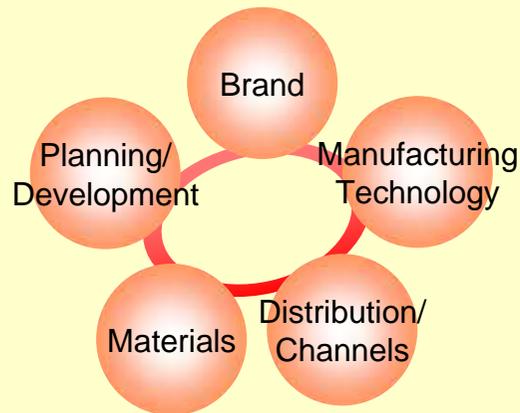
Planned construction site	On the premises of current Kansai Plant site (Kaizuka City, Osaka)
Production capacity	36,000 kiloliters (Max.)
Investment amount	¥9 billion
Planned operation	FY2014

“Build healthy bodies” – Develop food products for active seniors



“Spread enjoyment” – Foster and strengthen our desserts category

Integrating the strengths of the confectionery and dairy businesses



- Strengthen “Essel” brand and establish a market presence for new brands, to expand our ice cream lineup



- Strengthen abilities to develop and deploy frozen and chilled desserts

- Promote “Dorea,” a dessert featuring different textures in one product, to establish a market presence
- Develop new frozen desserts



- 100%ChocolateCafe.

Open a store in TOKYO SKYTREE TOWN, to strengthen brand power

(The new store opens on May 22, 2012)



(Tokyo Solamachi Store: Limited-edition products)



Place emphasis on 3 major markets: China, Asia, and the USA. Work for deeper penetration of the **meiji** brand, and foster solid business expansion



Target: Overseas Net Sales

FY2011: ¥39 billion FY2014: ¥59 billion

- China: Expand business and strengthen business foundations
- Asia: Strengthen fresh dairy and yogurt, to expand business in Thailand
- USA: Expand sales of chocolate snacks

Overseas Business – Initiatives in China



Dairy

- Launched a fresh dairy business in Suzhou

Confectionery

- Undertake business structure reforms, to achieve profitability

Healthcare and nutritionals

- Expand promotional activities and strengthen distribution abilities



Meiji Dairies (Suzhou) Co., Ltd.

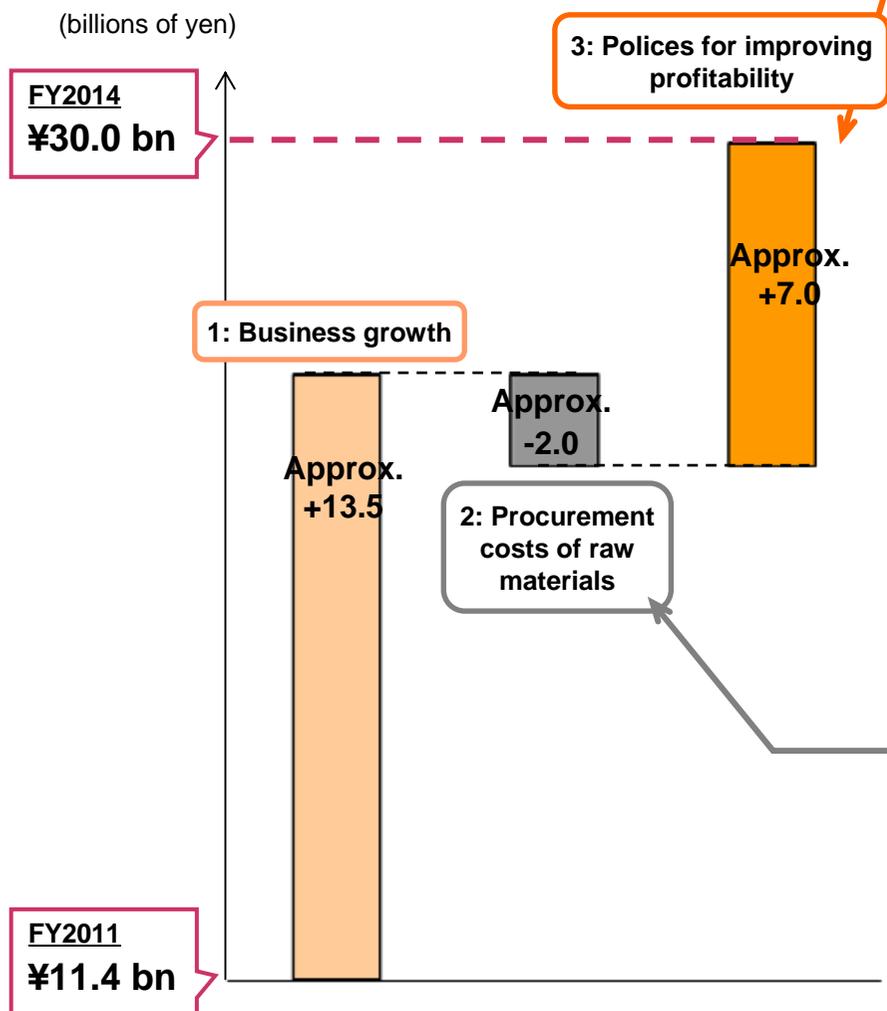


(Rendering)

- Meiji Dairies (Suzhou) Co., Ltd., established in March 2011
- Scheduled to begin producing and selling Meiji brand milk and yogurt in Eastern China, centered on Shanghai, starting in January 2013
- Meiji will utilize its technology and know-how cultivated in Japan, to deliver high-quality tasty products to customers in China

Food Basic Policy 3: Improve Profitability

Diagram Showing Increase in Op. Income



- Dairy Business
 - Revise sales promotion expenses and revamp unprofitable product groups
 - Speed up reform of our sales subsidiaries
- Confectionery business
 - Undertake sales reform
 - Boost efficiency in production supply/demand, and distribution
 - Revise product strategy
- Healthcare & Nutritionals Business
 - Rebuild the business foundation for powdered milk

- Rising raw materials procurement costs

Taking into account the current rising trend in the price of oils, fats, fruit pulp, juice, etc., we expect costs to continue increasing over the medium term

Pharmaceuticals Segment – Strategy Key Points

Basic Policies	Strategy Key Points
<p>1. Strengthen and Expand Existing Businesses (Growth and Priority Businesses)</p>	<ul style="list-style-type: none"> • Strengthen fields where Meiji has an advantage as a “Speciality and Generic Pharmaceuticals Company” <ul style="list-style-type: none"> - In the fields of infectious diseases and central nervous system (CNS) disorders, establish a more solid presence - Expand our generic drugs business • Strengthen sales capabilities: Reinforce medical representatives, strengthen the provision of information by specialty and by disease, etc.
<p>2. Foster Growth Businesses (New and Overseas Businesses)</p>	<ul style="list-style-type: none"> • New: <ul style="list-style-type: none"> - (Ethical pharmaceuticals) Face challenges in new fields ... Anticancer drugs, biomedicines, etc. - (Veterinary drugs) Actively develop the market for companion animals in Japan • Overseas: <ul style="list-style-type: none"> - (Ethical pharmaceuticals) Expand sales, focusing on emerging markets - (Agricultural chemicals & veterinary drugs) Accelerate expansion in Asia
<p>3. Improve Profitability</p>	<ul style="list-style-type: none"> • Achieve a global production structure with high profitability • Effectively invest in R&D costs, and promote development • (Agricultural chemicals) Promote licensing to maximize earnings

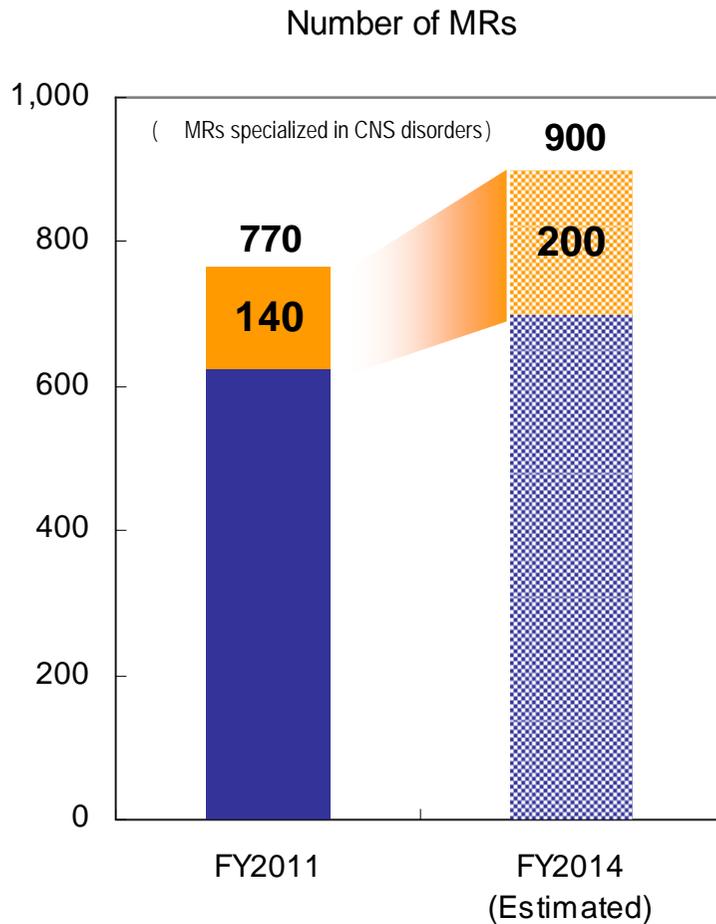
Strengthen fields in which Meiji has an advantage as a “Speciality and Generic Pharmaceuticals Company”

	FY2011			FY2014
Net sales	¥125.2 bn	FY2012 Drug price Revisions: - ¥7.1 bn	FY2014 Drug price revisions	¥140.0 bn
Op. income	¥8.1 bn			¥10.0 bn

Aim to be top class in fields where we have a competitive advantage in Japan.
Ensure profitability by responding to changes in the business environment.

- Establish a more solid presence in the fields of infectious diseases and central nervous system (CNS) disorders
 - Infectious diseases: In the antibacterial drug market, aim to be the 3rd ranked company or higher (FY2011: Ranked 4th)
 - CNS disorders: In the antidepressant market, aim for the 2nd rank or higher (FY2011: Ranked 3rd)
- Expansion of the generic drugs business
 - Considering people’s reliance on the “Meiji brand,” undertake strict quality control and provide a wealth of information
 - Maintain the 1st rank in the industry as a new drug manufacturer, and aim to achieve net sales of at least ¥30 billion
- Achieve a global production structure with high profitability
 - Establish a production system to improve profitability
 - Optimize production items and production locations
- Effectively invest in R&D costs
 - Reform the R&D process, to accelerate the process for products under development and minimize development time

Strengthen Sales Capabilities



Targeted domestic customers

Internal medicine, Psychosomatic medicine
 Pediatrics, Otorhinolaryngology Psychiatry
 Acute care hospital, Psychiatric hospitals

Strengthen Medical Representatives (MRs)

- Maintain a network of 900 MRs (200 of whom are specialized in CNS disorders)
- Effectively allocate staff to departments that are being strengthened

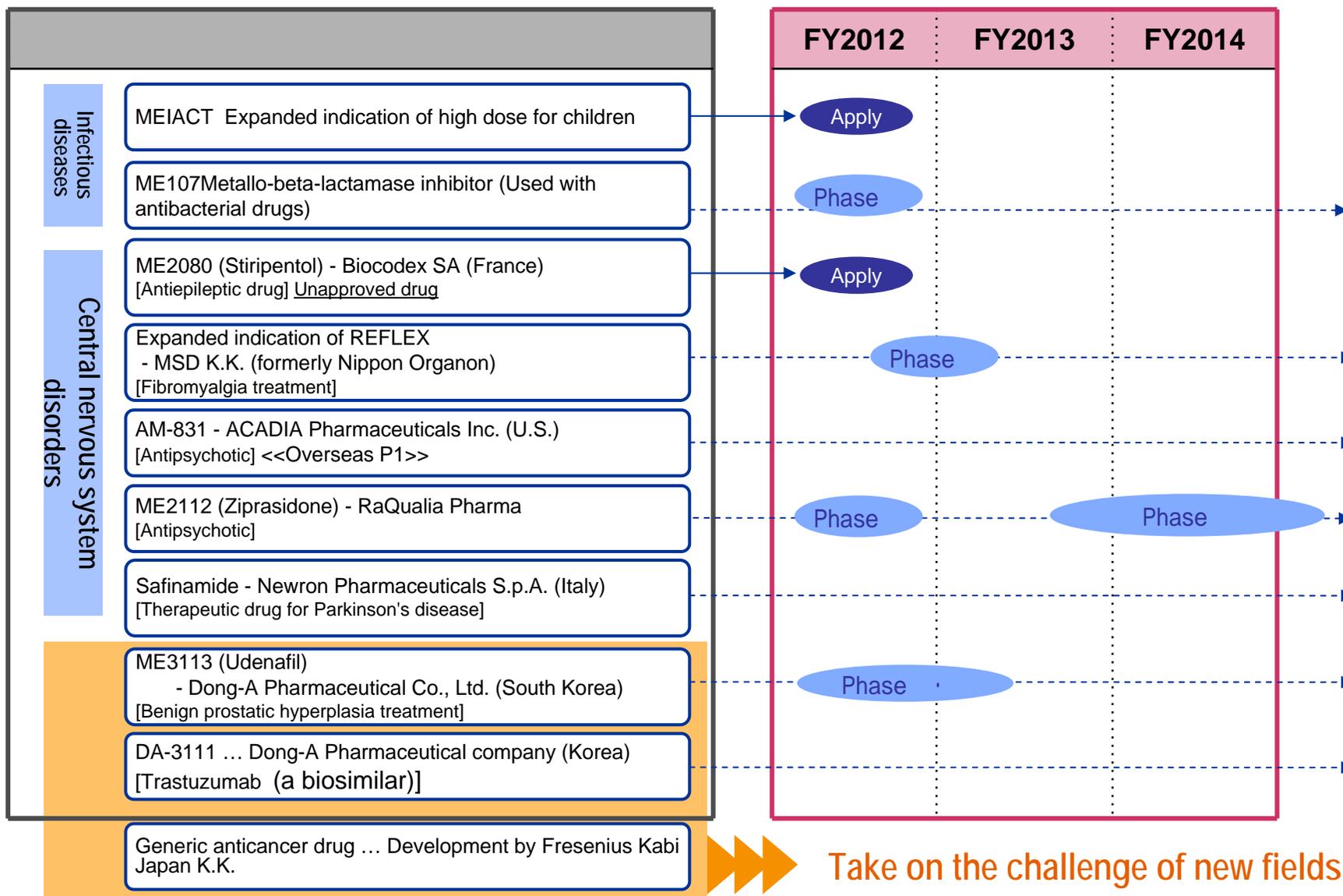
Strengthen the provision of information by specialty and by disease

- Brush up our “fusion strategy” (one MR provides comprehensive proposals for new and generic drugs) to increase the satisfaction of priority customers
- Expand the number of priority products and generic drugs, and enhance the “Meiji brand”
 - Expand sales of “REFLEX”
 - Expand into internal medicine private practice physicians
 “MEIACT,” “ORAPENEM”
 “Generic drugs (focused on blockbuster drugs)”

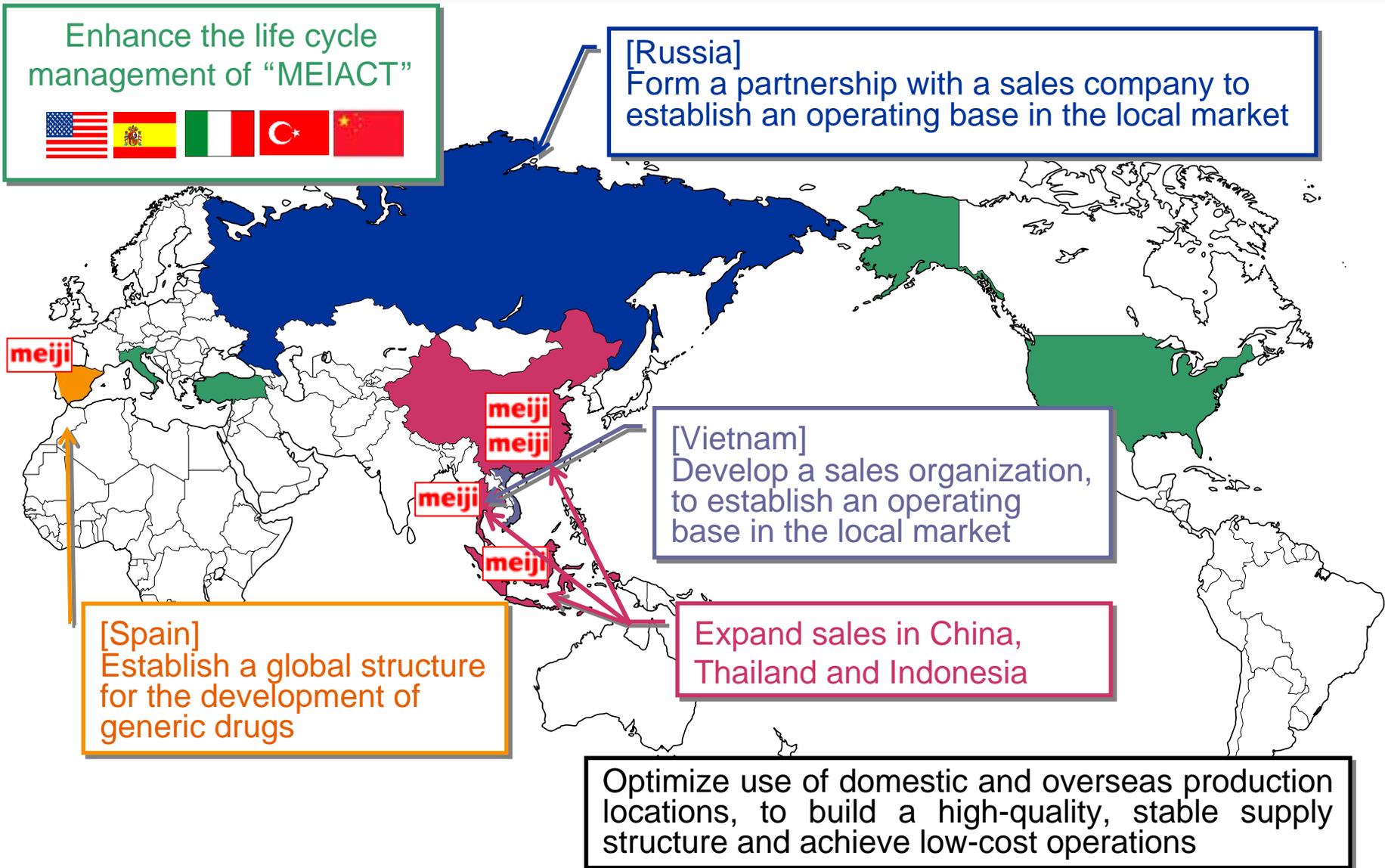
Strengthen Information Deployment

- Use IT and media strategies to maximize the value of the information provided

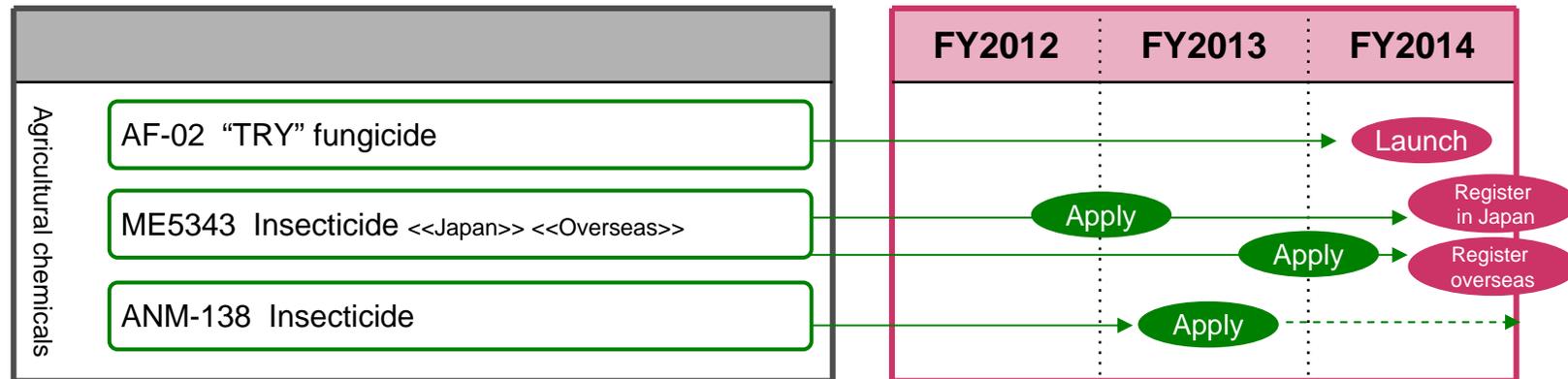
Development of the Pipeline



Expansion of Overseas Sales, Focusing on Emerging Markets



Expansion of Agricultural Chemicals and Veterinary Drugs Business



Agricultural chemicals business

- Foster "ZAXA" to become a mainstay product
- Strengthen overseas deployment of "ORYZEMATE" and "ZAXA" (enter the Korea and Taiwan markets)
- Launch in-house drug discovery products according to schedule, and promote licensing, to maximize earnings



Veterinary drugs business

- Actively expand business in the Japanese market for companion animals (Establish a dedicated organizational system, and strengthen sales capabilities)
- Expand the scale of Meiji operations in the Japanese market for the animal husbandry industry (Expand sales in the cattle market, partner with Meiji Feed)
- Undertake full-scale entry into Asian markets



Financial Strategies

	FY2009-2011 Medium-Term Business Plan				FY2012 to FY2014
	FY2009	FY2010	FY2011		
Total Capital expenditures	30.5	38.5	35.9	104.9	161.7
Total depreciation	37.6	39.0	37.9	114.5	126.5
Free cash flows	14.0	25.5	-13.7	25.9	15.3
(Operating cash flow portion)	47.7	57.9	30.5	136.2	170.5
Total interest bearing debt	203.2	197.5	209.9		210~230

(Note 1) Total capex and depreciation for FY2009-2011 are on a property, plants and equipment basis (including leases), and those for FY2012-2014 on property, plants and equipment and intangible assets basis (including leases)

(Note 2) Free cash flows = cash flows from operating activities + cash flows from investing activities

(Note 3) Total amount of interest bearing debt includes discount bills.

Investments & cash flows

- Free cash flows is expected to decline, but this period has been earmarked for prior investments, to strengthen existing businesses, foster the drivers of medium- and long-term growth, and reinforce business foundations

Fund-raising

- Investment funds will, in principle, be provided through equity and debt financing
- We aim for a debt/equity ratio of 0.8, and will maintain financial soundness

Returns to shareholders

- We will provide stable and continual dividends, taking into account our consolidated results.

We disclose the plan of total capex and depreciation for FY2012-2014 are on property, plants and equipment and intangible assets basis (including leases)

	FY2010	FY2011				
ROE	3.3%	2.3%				
(Net income)	¥9.5 bn	¥6.8 bn				
			<table border="1"> <thead> <tr> <th>FY2014</th> </tr> </thead> <tbody> <tr> <td>7 %</td> </tr> <tr> <td>Approx. ¥24.0 bn</td> </tr> </tbody> </table>	FY2014	7 %	Approx. ¥24.0 bn
FY2014						
7 %						
Approx. ¥24.0 bn						

Improve profitability

- Achieve further growth of existing businesses
- Solidly implement policies to improve earnings in each business



Maximize net income

Increase asset efficiency

- Raise production efficiency and control inventories
- Undertake effective capital investment in priority strategic areas

3. Outlook for FY2012

Outlook for FY2012

(billions of yen)

		FY2011	FY2012	
		Results	Plan	YoY change
Meiji HD [Consolidated]	Net sales	1,109.2	1,125.0	+1.4%
	Operating income	20.1	24.0	+18.9%
	Ordinary income	21.8	24.0	+9.7%
	Net income	6.8	11.8	+73.4%
Food	Net sales	986.3	1,000.0	+1.4%
	Operating income	11.4	18.4	+60.1%
Pharma- ceuticals	Net sales	125.2	128.3	+2.4%
	Operating income	8.1	5.4	-34.0%

(Note 1) Segments' planned values do not include eliminations or corporate figures.

(Note 2) For details of the FY2012 business plan, see "Appendix," p. 9.

FY2012: Business Plan by Segment – Key Points

Food Segment: Recovery of profitability

- Dairy:
 - Continually strengthen mainstay brands (“Oishii Gyunyu,” “Bulgaria,” “LG21”)
 - Establish markets and expand market shares for new products such as “R-1”
- Confectionery:
 - Strengthen long-seller brands, focused on chocolate snacks
 - Boost efficiency of production, supply/demand and distribution. Improve profitability.
- Healthcare & nutritionals:
 - Further establish mainstay brands (“Amino Collagen,” “SAVAS,” “VAAM,” etc.) and strengthen the enteral formula business
 - Powdered milk business – Achieve a recovery in sales and rebuild the profit structure

Pharmaceuticals Segment: Absorb damage from drug price revisions

- Ethical pharmaceuticals:
 - Implement promotion activities and expand of generic drugs, focusing on mainstay products
 - Undertake global, low-cost operations
- Agricultural chemicals and veterinary drugs:
 - Foster “ZAXA” liquid formula, and boost its cost competitiveness
 - Execute various policies for overseas business expansion

(Note) For details on each segment and business strategy, see “Appendix”, p. 9.

明治グループ 2014 中期 経営計画

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- The forward-looking statements described in this material, such as business forecasts, are based on information available at the time of the release of this presentation and reasonable assumptions made by the Company. Actual results could differ materially from forecasts due to various factors.
- Although this material includes information concerning pharmaceutical products (including those currently under development), such descriptions are not intended to advertise the products or provide any medical advice.